

Calendar No. 295

83D CONGRESS }
1st Session }

SENATE

{ REPORT
No. 292

COMMISSION ON FOREIGN ECONOMIC POLICY

MAY 18 (legislative day, MAY 15), 1953.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the following

REPORT

[To accompany S. J. Res. 78]

The Committee on Finance, to whom was referred the joint resolution (S. J. Res. 78) for the establishment of the Commission on Foreign Economic Policy, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

PURPOSE

The purpose of the proposed legislation is to establish a temporary bipartisan commission to be known as the Commission on Foreign Economic Policy. It is intended that the proposed Commission shall provide the mechanism for a thorough examination of our whole foreign economic policy, as recommended by President Dwight D. Eisenhower in his letter dated May 1, 1953, to the Vice President and the Speaker of the House of Representatives.

ORGANIZATION OF THE COMMISSION

It is proposed that the Commission shall be composed of 11 members, of whom 5 would be appointed by the President, 3 by the Vice President from the Members of the Senate, and 3 by the Speaker of the House from the Members of the House. No more than 3 of the members appointed by the President would be affiliated with the same political party and no more than 2 of the 3 members appointed by the Vice President and the Speaker of the House respectively could be from the same political party.

In order to provide representation from private life, it is proposed that no more than 3 of the 5 members to be appointed by the President shall be from the executive branch.

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The Chairman and Vice Chairman of the Commission are to be elected by the Commission from among its own members. Six members of the Commission are to constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

Senators and Representatives who serve on the Commission are not to receive any additional compensation for their duties as members of the Commission. However, it is provided that they shall be reimbursed for travel, subsistence, and other necessary expenses arising from the performance of their duties as members of the Commission. Likewise, members of the Commission already serving in the executive branch of the Government are not to receive additional compensation for their services on the Commission, and it is provided that they shall have the same reimbursement for travel, subsistence, and other necessary expenses as the legislative members.

The proposed legislation provides that members from private life shall be paid on a per diem basis at a rate not to exceed \$75 per day when engaged in the performance of the Commission's duties. These members also are to have the same reimbursement for travel, subsistence and other necessary expenses as the other members.

RECOMMENDATIONS AND EXPIRATION OF THE COMMISSION

The Commission is directed to submit to the Congress a report of its findings and recommendations within 60 days after the convening of the 2d session of the 83d Congress. The Commission would cease to exist 90 days after the submission to the Congress of its final report.

EXPENSES AND STAFF OF THE COMMISSION

The committee appreciates that the comprehensive examination and study contemplated will require intensive effort if its objectives are to be achieved in time to provide a basis for legislation during the 2d session of the 83d Congress. Consequently, the legislation contains a general authorization for appropriations and confers broad authority in the Commission to employ staff personnel, experts, and consultants.

DUTIES OF THE COMMISSION

The Commission is directed to examine, study, and report on the subject of international trade and to recommend policy, measures, and practices for stimulating its sound enlargement. It is intended that the Commission shall study significant factors of policy and practice both in the United States and in foreign countries which affect the volume of international trade and investment. The detailed specifications of duties contained in section 9 of Senate Joint Resolution 78 are not intended in any sense to limit the scope of the study. These specifications are merely illustrative and indicate the broad design and purpose of the Commission.

POWERS OF THE COMMISSION

In order to achieve its objectives the legislation confers ample subpoena powers on the Commission. In addition, the Commission is authorized to secure any information it deems necessary to its func-

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tions from any department, agency, or independent instrumentality of the Government. Each such department, agency, and instrumentality is authorized and directed to furnish such information when requested by the Chairman or by the Vice Chairman when acting as Chairman.

THE WHITE HOUSE,
Washington, May 1, 1953.

The VICE PRESIDENT,
The United States Senate, Washington, D. C.

DEAR MR. VICE PRESIDENT: In the message which I sent to the Congress on April 7 requesting a 1-year extension of the present Reciprocal Trade Agreements Act, I referred to the need for a thorough reexamination of our whole foreign economic policy.

I now recommend that a commission be established to make this review. The review should provide the basis for action during the next session of the Congress.

It is my belief that the proposed Commission should be made up of Members of the Congress appointed by the Vice President and the Speaker of the House, and members appointed by myself from outside the Congress. It should be representative of both major parties. This is appropriate since commercial policy is an integral part of our total foreign policy for which broad national support is vital.

This Commission naturally should work within the framework of our foreign policy and our global defense plans. Close liaison should be maintained with the group set up under the auspices of the State Department to follow up the economic and financial talks held earlier this spring between the United States and various European countries.

The Commission should study all existing legislation and the regulations and administrative procedures stemming from it which bear directly on our foreign economic relations. This review should seek to determine how these laws can be modified or improved so as to achieve the highest possible levels of international trade without subjecting parts of our economy to sudden or serious strains.

An inquiry of this nature is imperative. The economic policy of this Nation exercises such a profound influence on the entire free world that we must consider carefully each step we take. Changes in foreign economic policy—even those which at first have relatively slight consequences within this country—may either strengthen our allies or plunge them into a downward spiral of trade and payment restrictions, lower production, and declining living standards.

Our foreign economic policy also has important implications here at home. Declining imports will necessarily mean falling exports, resulting in a serious loss of markets for our agriculture and other industries. Expanded imports may require some adjustments in our country. We must make sure that changes in foreign economic policy consonant with our position as the world's greatest creditor nation do not benefit particular groups at the expense of the national welfare, but we must also make sure that such changes do not place unequal burdens on particular groups.

As I indicated in my previous message, the achievement of a strong and self-supporting economic system in the free world, capable of providing adequate defense against aggression and of achieving rising standards of living, must be a cooperative effort. Through increasing two-way international trade and stimulating in every practical way the flow of private investment abroad we can strengthen the free world, including ourselves, in natural and healthy ways. By so doing, we can lessen and ultimately eliminate the heavy burden of foreign aid which we now bear. Both we and our friends abroad earnestly desire to see regular trade and investment replace grant assistance.

In launching a broad-gage study into the question of what our foreign economic policy should be, I think we can prepare the way for a fuller utilization of the economic strength of the free world in the cause of peace and prosperity.

Sincerely,

DWIGHT D. EISENHOWER.

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Public Law 215 - 83d Congress
Chapter 348 - 1st Session
H. R. 5495

AN ACT

All 67 Stat. 472.

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Agreements Extension Act of 1953".

Trade Agree-
ments Extension
Act of 1953.

TITLE I—FOREIGN-TRADE AGREEMENTS

SEC. 101. EXTENSION OF AUTHORITY.

The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended (19 U. S. C., sec. 1351), is hereby extended 65 Stat. 72. for a further period of one year from June 12, 1953.

SEC. 102. TIME FOR CERTAIN REPORTS BY TARIFF COMMISSION.

The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951 (19 U. S. C., sec. 1364) is hereby 65 Stat. 74. amended by striking out "one year" and inserting in lieu thereof "nine months". In the case of any application made under such first paragraph before the date of the enactment of this Act, the United States Tariff Commission shall make its report not later than whichever of the following is the earlier: (1) one year after the application was made, or (2) nine months after the date of the enactment of this Act.

SEC. 103. GENERAL AGREEMENT ON TARIFFS AND TRADE NOT AFFECTED.

The enactment of this Act shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive Agreement known as the General Agreement on Tariffs and Trade. 61 Stat. pts. 5 and 6.

SEC. 104. EMERGENCY ACTION UNDER SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT.

Section 8 of the Trade Agreements Extension Act of 1951 (Public 65 Stat. 75. Law 50, Eighty-second Congress, first session) is hereby amended by 19 USC 1365; adding a new subsection (c) at the end thereof, reading as follows: 7 USC 624.

"(c) Subsection (b) of section 22 of the Agriculture Adjustment Act, 62 Stat. 1249. as amended, is amended by adding at the end thereof the following: 7 USC 624.

"In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President."

TITLE II—UNITED STATES TARIFF COMMISSION

SEC. 201. EFFECT OF DIVIDED VOTE IN CERTAIN CASES.

Section 330 of the Tariff Act of 1930, as amended, is hereby amended 46 Stat. 696. by adding a new subsection (d) reading as follows: 19 USC 1330.

"(d) EFFECT OF DIVIDED VOTE IN CERTAIN CASES.—

"(1) Whenever, in any case calling for findings of the Commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the commissioners voting are unable to agree upon findings or recommendations, the findings (and recommendations, if any)

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All 67 Stat. 473.

unanimously agreed upon by one-half of the number of commissioners voting may be considered by the President as the findings and recommendations of the Commission: *Provided*, That if the commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any) the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission. In any case of a divided vote referred to in this paragraph the Commission shall transmit to the President the findings (and recommendations, if any) of each group within the Commission with respect to the matter in question.

“(2) Whenever, in any case in which the Commission is authorized to make an investigation upon its own motion, upon complaint, or upon application of any interested party, one-half of the number of commissioners voting agree that the investigation should be made, such investigation shall thereupon be carried out in accordance with the statutory authority covering the matter in question. Whenever the Commission is authorized to hold hearings in the course of any investigation and one-half of the number of commissioners voting agree that hearings should be held, such hearings shall thereupon be held in accordance with the statutory authority covering the matter in question.”

TITLE III—ESTABLISHMENT OF COMMISSION ON FOREIGN ECONOMIC POLICY

SEC. 301. ESTABLISHMENT OF THE COMMISSION.

There is hereby established a bipartisan commission to be known as the Commission on Foreign Economic Policy (in this title referred to as the “Commission”).

SEC. 302. MEMBERSHIP OF THE COMMISSION.

(a) **NUMBER AND APPOINTMENT.**—The Commission shall be composed of seventeen members as follows:

- (1) Seven appointed by the President of the United States;
- (2) Five appointed from the Senate by the Vice President of the United States; and
- (3) Five appointed from the House of Representatives by the Speaker of the House of Representatives.

(b) **POLITICAL AFFILIATION.**—Of the first class of members specified in subsection (a), no more than four members shall be from the same political party. Of the second and third classes of members specified in subsection (a), no more than three members from each class shall be from the same political party.

SEC. 303. ORGANIZATION OF THE COMMISSION.

The President shall designate the member of the Commission who shall be the Chairman, and the member who shall be the Vice Chairman.

SEC. 304. QUORUM.

Nine members of the Commission (including at least five who are Members of Congress) shall constitute a quorum.

SEC. 305. COMPENSATION OF MEMBERS OF THE COMMISSION.

(a) **MEMBERS OF CONGRESS.**—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

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All 67 Stat. 474.

(b) **MEMBERS FROM THE EXECUTIVE BRANCH.**—The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) **MEMBERS FROM PRIVATE LIFE.**—The members from private life shall receive not to exceed \$75 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

SEC. 306. STAFF OF THE COMMISSION.

(a) **APPOINTMENT OF PERSONNEL.**—The Commission may appoint such personnel as it deems advisable, without regard to the civil-service laws, and shall fix the compensation of such personnel in accordance with the Classification Act of 1949, as amended. The Commission may procure temporary and intermittent services in accordance with section 15 of the Act of August 2, 1946 (5 U. S. C., sec. 55a), but at rates not to exceed \$75 per diem for individuals. The Commission may reimburse employees, experts, and consultants for travel, subsistence, and other necessary expenses incurred by them in the performance of their official duties and make reasonable advances to such persons for such purposes.

63 Stat. 954.
5 USC 1071
note.

60 Stat. 810.

(b) **CERTAIN LAWS NOT TO APPLY.**—Except for members of the Commission appointed by the Vice President or the Speaker of the House, and except for any member of the Commission who may be appointed by the President from the executive branch of the Government, service of an individual as a member of the Commission, employment of an individual pursuant to the first sentence of subsection (a), and service by a person pursuant to the second sentence of subsection (a), shall not be considered as service or employment bringing such person within the provisions of section 281, 283, or 284, or 1914 of title 18 of the United States Code, or section 412 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C., sec. 1584), or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

62 Stat. 697, 793.
63 Stat. 721.

SEC. 307. EXPENSES OF THE COMMISSION.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this title.

SEC. 308. REPORT—EXPIRATION OF THE COMMISSION.

(a) **REPORT.**—Within sixty days after the second regular session of the Eighty-third Congress is convened, the Commission shall make a report of its findings and recommendations to the President and to the Congress.

(b) **EXPIRATION OF THE COMMISSION.**—Ninety days after the submission to the Congress of the report provided for in subsection (a) of this section, the Commission shall cease to exist.

SEC. 309. DUTIES OF THE COMMISSION.

(a) **IN GENERAL.**—The Commission is directed to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices.

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All 67 Stat., 475.

(b) CERTAIN OF THE MATTERS TO BE CONSIDERED AND REPORTED ON.—Without limiting the general scope of the direction to the Commission contained in subsection (a), the Commission shall consider, and shall report on, the following matters:

(1) (A) Applicable provisions of the Constitution of the United States;

(B) Laws, regulations, and practices of the United States relating to international trade, including such matters as tariffs, customs, customs administration, trade agreements, peril point and escape procedures, opinions and decisions thereon of the United States Tariff Commission and the President, import and export quotas, monetary licenses, countervailing duties, and procurement preferences;

(C) Departments, agencies, boards, commissions, bureaus, and other instrumentalities of the United States having jurisdiction over, or dealing with, these matters;

(D) Laws, regulations, and practices and official instrumentalities of other nations concerned with similar subject matters;

(E) Pertinent statistics on international trade; and

(F) Balance of payments, nation by nation; and the causes and effects of, and proposed remedies for, excessive imbalances.

(2) Relationship of our foreign economic policies to, and their influences on, our total foreign policy; and the proper relationship of each to the other.

(3) Effect of our foreign aid and military defense programs on international trade and international balance of payments.

(4) Foreign markets of trading nations—extent and nature; and the effect thereon of wars, other emergencies, technological advances, international relations, and other pertinent factors.

(5) International instrumentalities, organizations, and agreements and practices affecting trade, such as the General Agreement on Tariffs and Trade, Customs Unions, Organization for European Economic Cooperation, International Wheat Agreement, cartels, European Payments Union, European Coal and Steel Community, and International Monetary Fund.

(6) Foreign investment capital and the flow of investment capital between nations—need thereof—restrictions thereon—inducements necessary to encourage—role of the Export-Import Bank and of the International Bank for Reconstruction and Development.

(7) Effects on international trade of factors such as costs of production and pricing, labor practices and standards, general living standards, currency manipulation, inconvertible currencies, official inflationary policies, currency devaluations, exchange controls and licenses, quotas, embargoes, dumping and pricing practices, multiple currencies, bilateral trade agreements, barter arrangements, customs procedures, marking and transit problems, concealed regulation of exports and imports, preferential tariff systems, most-favored nation treatment, government monopolies, state-controlled economies, state trading, and state-subsidized trading.

(8) Effect of existing and proposed trade policies on the promotion of peace and security and the betterment of political, social, and economic life, domestic and foreign.

SEC. 310. POWERS OF THE COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission or, on the authorization of the Commission, any subcommittee or member thereof, shall have power to hold hearings and to sit and act at such times and places, within the United States or elsewhere, to take such testimony,

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All 67 Stat. 476.

and to make such lawful expenditures, as the Commission or such subcommittee or member may deem advisable.

(b) **OBTAINING OFFICIAL DATA.**--The Commission is authorized to request from any department, agency, or independent instrumentality of the Government any information it deems necessary to carry out its functions under this title; and each such department, agency, and instrumentality is authorized to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman.

Approved August 7, 1953.

GPO 862232